



City of Long Beach

2015-2016 Proposed Budget Summary

"On the Right Track"



The proposed operating budget for the Fiscal Year 2015-2016 is \$86, 277,466 for the City of Long Beach. This budget represents this administration's **fourth** consecutive balanced budget, the **third** consecutive budget that lives within Governor Cuomo's tax cap, and the **second** consecutive budget that provides relief to our taxpayers.

Proposed Budget Highlights at a Glance:

✓ **Net-Zero Percent Tax Increase**

- ✓ The proposed tax rate remains within Governor Cuomo's tax cap, at 3.18%.
- ✓ Qualified homeowners will receive a 100% reimbursement for this year's tax increase.

Qualified homeowners must meet STAR property tax exemption requirements; the property must be the homeowner's primary residence & the total household income must be less than \$500,000.

✓ **Restores the City's Fund Balance or "Rainy Day Fund"**

- ✓ Previous administration's \$18M, multiyear deficit eliminated.
- ✓ Over the past three years the City has rebuilt and increased the unassigned fund balance across all funds from a \$14.7M deficit to a \$7M fund balance, **a \$21M turnaround**.
- ✓ Appropriation of \$635,000 from the general fund and \$155,555 from the water fund will allow the City to lower the proposed tax levy and generate \$55 per household savings.
- ✓ Pay as you go: Water fund appropriating \$150,000 to assist in funding capital projects, allowing the City to use funds that are currently available as an alternative to borrowing.

✓ **Manages the Fiscal and Physical Recovery after Superstorm Sandy**

- ✓ Recovery has generated \$4.9M, that has been or will be used to offset cost of operations.
- ✓ Almost 200 infrastructure projects completed "in-house" since Superstorm Sandy

The City expects that nearly all of the costs will be covered by insurance proceeds, FEMA, and state funds, including the state's 10% match for storm related expenses not covered by FEMA.

✓ **Restores Credibility in the Markets**

- ✓ NYS Fiscal Stress Score improved from 91.7% ('11-'12) to 80% ('12-'13) to 57.5% ('13-'14).
- ✓ Moody's Investor Services upgraded the City's General Obligation rating to Baa2 from Baa3 with a positive outlook for the City's future.

Moody's cited, "The positive outlook reflects improved fiscal controls and policies implemented by a new management team. The outlook also reflects our expectation that management will continue to build reserves over the next two years."

✓ **Maintains the "Right-Sized" Workforce**

- ✓ The City has reduced its workforce by 11%, while expanding services.
- ✓ Personnel costs of the overall budget have decrease to 56% from an unsustainable 83%.

Right-sizing initiatives undertaken by the City include:

- ✓ Alternatively staffed the Fire Department to improve public safety.
- ✓ Enhanced the City's overtime policy.
- ✓ Saved money in annual recurring retirement/separation salaries.
- ✓ Reviewing health care costs.

✓ **Implements the Long-Term Fiscal Recovery Plan**

- ✓ Structurally sound, balanced budgeting
- ✓ Diversifying and increasing revenues
- ✓ Right-sizing the workforce
- ✓ Management accountability and efficiency
- ✓ Instituting and Enhancing internal financial controls
- ✓ Stabilization of taxes

Important Upcoming Dates for the City's Budget:

- 5/19: City Council shall vote on final adoption of the budget on or before this date.
- 7/1: The new budget, for fiscal year 2015-2016 takes effect.